

CONFIDENTIAL

77-36041

8 March 1977

Status Report on Long-Term Objectives

Objective: Improvement of intelligence analysis and production to make the product as comprehensive, timely, and useful as possible.

In mid-1976 a basic re-examination of intelligence production in the Directorate of Intelligence was undertaken. This study was conducted under the supervision of Dr. Sayre Stevens, the then new Deputy Director for Intelligence.

The project initially involved lengthy discussions of what ought to be the basic missions for the intelligence production program and the organizational form which might best accomplish them. An interim report submitted by the DDI received the general endorsement of the Executive Advisory Group in late August. The DDI was given authority to proceed with the preparation of specific reorganization proposals. Subsequently, the

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[redacted] was employed to suggest what organizational and procedural changes might be required to enable us to most effectively achieve our production objectives. An internal working group was also set up to formulate proposals. The DDI's conclusions and recommendations were endorsed by the Executive Advisory Group. On the basis of EAG endorsement, the Director of Central Intelligence on 15 November 1976 authorized the DDI to proceed with the implementation of his reorganization proposal. This was largely accomplished by mid-December.

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The goals and specific actions decided upon are as follows:

--To improve the usefulness of the Directorate's product to the policymaking community.

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Established the Center for Policy Support to establish close working relationships with key staff officials responsible for developing foreign policy options in order to better ascertain their interests and needs and make them aware of our resources and capabilities.

--To facilitate the production of interdisciplinary and mid-term analysis and reduce the resources devoted to current intelligence.

Abolished Office of Current Intelligence and Office of Political Research.

Established the Office of Regional and Political Analysis with the responsibility for current, mid-term and longer term analysis of issues of key interest to policy analysts.

Established the Current Reporting Group to carry on the Directorate's responsibility for producing classified commentary on foreign developments on a daily basis, but with reduced manpower.

--To foster the production of long-range issue-oriented analysis.

Established the Center for Policy Support to conduct and manage selected interdisciplinary studies on selected long-range intelligence issues of interest to policymakers.

--To consolidate the total intelligence production effort within one directorate.

Transferred the Office of Scientific Intelligence (OSI) and the Office of Weapons Intelligence (OWI) from the DDS&T to the DDI.

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The new organization is in the shake-down phase and there are still some problems in making it work as effectively as we think it will. Nevertheless, we are confident that with the reorganization of elements of the Intelligence Directorate we are moving in the direction of providing the policy community with more useful products.

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Objective: Improvement of innovative research and development of new intelligence techniques and equipment for the collection, processing, analysis, and production of intelligence information.

Processing

25X1 An area where progress has been made in developing new techniques is Project [redacted] a sophisticated information-handling system which will be operational in FY 1981 at a projected cost, allowed by Congress, of [redacted]

25X1 The purpose of Project [redacted] is to establish a computer/terminal network that will give analysts the electronic means to receive their "mail," store what is valuable in personal and Agency files, compare it with all the data already on record, and to compose, edit, and distribute their conclusions as finished intelligence products. [redacted] should enable [redacted] analysts to do a better job in a more timely fashion. 25X1

25X1 Testing of the [redacted] concept began in 1972; a pilot system was developed, experimentation has been underway in various intelligence production units, and outside experts have scrutinized our program. The emphasis in FY 1977 is on system design and computer communications. In FY 1978 we are asking Congress for [redacted] largely for site preparation, software development, and hardware procurement. 25X1

Analysis & Production

In recent years, increasing use has been made of a body of intellectual and computational techniques that have come to be known collectively as the "new analytical methodologies". Many of these techniques originated in such academic disciplines as economics, political science, mathematics, statistics and computer programming. Our endeavor has been to refashion these scholarly tools for intelligence tasks and to develop new methods uniquely suited to solving the most difficult problems confronting intelligence analysts.

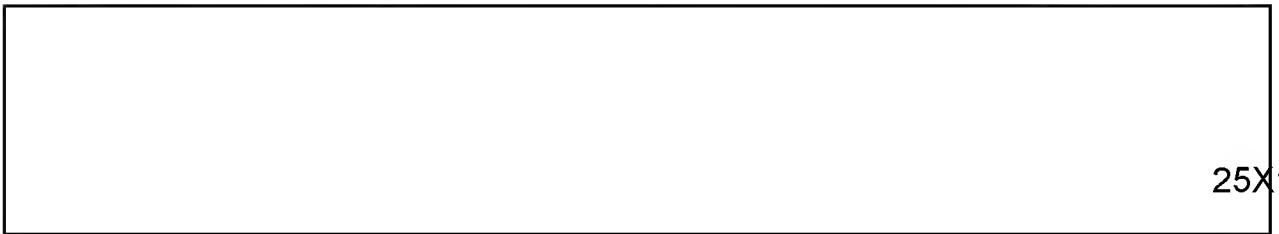
These new analytical methods have already proven their worth. There are numerous examples of important research findings which have been directly attributable to methods and techniques which have been developed or adopted to meet intelligence needs. For example, Project [redacted]

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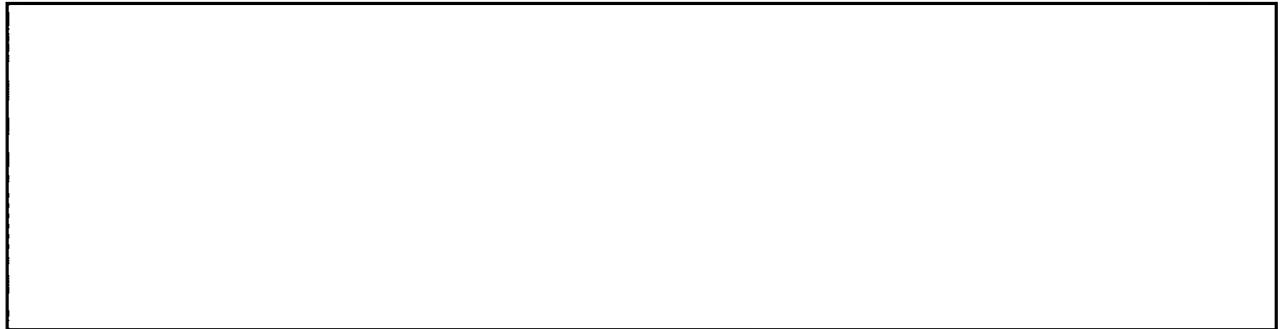
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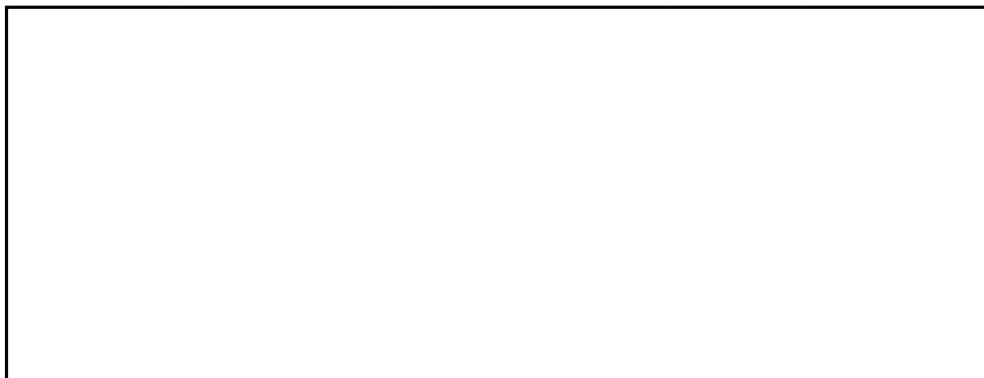
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Typical of new projects currently being worked or planned are:



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Not only do these new techniques enhance the quality of our products but aid in our attempts to cope with the growing imbalance between our analytical resources and demands for our product. For both reasons we expect to become increasingly involved with new analytical techniques. While we estimate that internal and external costs for this activity in the Production Program will be about [redacted] in FY 1977 we expect such costs to rise to more than [redacted] in FY 1978. In addition between [redacted] of funds are expended annually on similar activities in the RD&E Program.

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77-0376

Approved For Release 2004/05/05 : CIA-RDP80M00165A002500050014-8

MEMORANDUM FOR: DCI Designate, Adm. Turner
SUBJECT : Long-term Objectives

8 MAR 1977

1. During Mr. Knoche's confirmation hearings before the Senate Select Committee on Intelligence (SSCI) last year, he stated that one of his long-term objectives was the development of improved methods to evaluate the priorities of intelligence requirements and to assess the performance of all phases of intelligence in order to make better judgments on where to apply resources. You asked for our comment as to what has been done on this. Before giving you our answer, it is important to note that Mr. Knoche was responding as the future Deputy Director of the Central Intelligence Agency, not as the DCI or the Deputy for the Intelligence Community. Thus, his answer to the Committee's question about long-term objectives was necessarily couched in terms of what he hoped to do within CIA. In answering your question, therefore, we are not taking account of the work which the Intelligence Community Staff has undertaken on your behalf in the Community as a whole.

2. Within CIA there have been three principal steps taken to improve our ability to evaluate intelligence requirements and assess performance. First, shortly after Mr. Knoche became DDCI, he ordered the incorporation of the Collection Guidance and Assessment Staff (CGAS), formerly located in the DDI, in the Office of the Comptroller. CGAS' role in the Intelligence Directorate was to solicit and coordinate intelligence requirements developed by analysts, to transmit those requirements to collection organizations both within CIA and in the rest of the Community, and to evaluate how well those collectors had met the requirements developed. In moving the staff (now the Requirements and Evaluation Staff) to the Office of the Comptroller, Mr. Knoche hoped to improve the link between those who develop requirements and evaluate collection performance and those who are charged with making recommendations with respect to the use of CIA resources. From the Comptroller's point of view, this shift has significantly enhanced our ability to make recommendations with respect to resource issues. The move has given us greater insight into substantive needs and performance in response to those needs; this insight continues to have an important impact on the resource review process within CIA. We are now developing a list of programs for evaluation, and evaluations are being scheduled for maximum usefulness in the resource allocation process.

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3. A second step taken by Mr. Knoche last year involved the transfer of the former NIO for Special Activities to the Office of the Comptroller as a special assistant. Within our Office, the former NIO leads a three-man special projects team charged, under the auspices of the EAG, with carefully defining requirements and evaluating substantive and managerial performance on a limited number of sensitive

25X1 [redacted] operations and [redacted] Projects. The projects in question generally require the coordinated efforts of the DDO, DDI, and DDS&T and will benefit from extra management review to ensure collection responsiveness to analytical needs. [redacted]

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4. The third point we would like to make relates to zero base budgeting and--though it was begun well before Mr. Knoche's commitment in the confirmation hearing--it is important to note here. About two years ago we adopted a system of zero base budgeting based on efforts previously undertaken in the State of Georgia and the [redacted]

25X1 25X1 [redacted] Company. We divided the CIA program into over [redacted] discrete resource packages (others call them decisions packages) which constitute the basic building blocks of the CIA program and which are the basis for management review of the CIA budget at all pertinent stages. For each resource package, we summarize the related personnel and dollar resources, explain the activity or program, discuss past and planned future output, and in general examine its costs and purposes. Despite many claims by others that they too have been doing zero base budgeting for the last two years, I am skeptical that anyone in Government has yet applied the concept as usefully as we have. We make the point here because the approach we have taken is integral to our response to any question about performance evaluation.

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[redacted]
James H. Taylor
Comptroller

cc: DDCI

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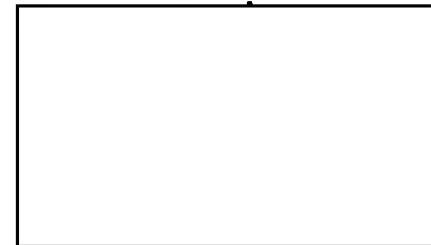
Executive Registry
77-3604

OLC #77-0768

2 March 1977

MEMORANDUM FOR: Acting Director of Central Intelligence
FROM: Executive Assistant to DCI-Designate

Admiral Turner would like to know where we stand in achieving the long-term objectives set forth in the responses to the June 24, 1976 written interrogatory submitted by the Senate Select Committee on Intelligence.



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Routing Slip

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4	DDS&T				
5	DDI				
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7	DDO				
8	D/DCI/NI				
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13	D/Pers				
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Remarks:

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4 March 1977

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